

[GO TO TABLE OF CONTENTS](#)

[GO TO INDEX](#)

## CHAPTER 5 - BUDGET FORMS AND CLASSIFICATIONS

### SECTION A - USE OF BUDGET FORMS

For a detailed list of city or town budget forms see Chapter 5 - Section A, Pages 42-3 and 42-4. All of the following budget forms shall be prepared in triplicate. After the budget and tax rates are adopted by the city council or town council but not later than two days prior to September 18, two copies of each budget form should be filed with the county auditor. These copies are used by the county tax adjustment board and the State Board of Tax Commissioners in their reviews of budgets and tax rates. The third copy of each form is to be maintained by the preparing city or town. A sample copy of each prescribed form may be found at 47-5 through 47-26.

Please contact the State Board of Tax Commissioners at (317) 232-3773 if you should have questions regarding the use of the forms.

#### BUDGET ESTIMATE (Budget Form No. 1)

This is the first form to be used in making the budget and should be carefully prepared, showing in detail the necessary expenditures proposed for the ensuing year. It is to be prepared in triplicate by each office, board, commission or department and filed with Clerk-Treasurer or Controller. This includes police pension and fire pension funds. All funds which have a budget and/or tax rate must have a Budget Form No. 1 completed and filed with the fiscal officer. If no budget is required for a fund for the ensuing year so indicate on the properly signed budget estimate.

#### ESTIMATE OF MISCELLANEOUS REVENUE (City and Town Budget Form No. 2)

This form is to be prepared in triplicate by the Clerk-Treasurer or Controller from information available in his office or from information furnished by each office, board, commission or department receiving miscellaneous revenue. This includes information furnished by the police pension board and fire pension board. Information should also be received from the county auditor for bank, building and loan taxes, auto and aircraft excise taxes, certified shares, property tax replacement credit, and distributive shares (county option income tax).

Column A is for the period from July 1 to December 31 of the current year. Column B is for January 1 to December 31 of the incoming year. Column X is reserved for use by the State Board of Tax Commissioners.

#### CERTIFICATE AS TO BALANCE IN UTILITY CASH RESERVE FUND - (City and Town Budget Form No. 2A)

City and Town Budget Form No. 2A should be used in all cities and towns if an amount is included in the Estimate of Miscellaneous Revenue (City and Town Budget Form No. 2) for transfer from a utility cash reserve fund to the city or town general fund. This form is to be prepared in triplicate for each such transfer.

#### NOTICE TO TAXPAYERS OF BUDGET ESTIMATES AND TAX LEVIES (Budget Form No. 3)

Budget Form No. 3 is to be prepared by the Clerk-Treasurer or Controller. In addition to the three copies needed as explained under Budget Form No. 1, one copy should be prepared for each newspaper in which the notice is to be published in accordance with IC 6-1.1-17-3 and IC 5-3-1-2.

Budget Form No. 3 is the only budget form which will be published so extreme care should be taken in its preparation.

ORDINANCE FOR APPROPRIATIONS AND TAX RATES (Budget Form No. 4)

This form is to be prepared in triplicate. The form shall be signed by the proper municipal officers and attested to by the applicable fiscal officer.

Budget Form No. 4 shall serve as the cover sheet for Budget Forms 4-A and 4-B, thus making a complete budget set for each municipality.

BUDGET REPORT (Budget Form No. 4-A)

This form is to be prepared in triplicate. Do not be concerned with boxes provided for unit, year, fund, and department. These boxes are for use in the data base program of the State Board of Tax Commissioners.

The column headed "Original Published Budget Appropriation" is to be prepared by either the City Controller or City or Town Clerk-Treasurer.

Totals from Budget Form No. 1, Budget Estimate, shall be entered for each general fund department (if the municipality has a departmentalized budget). After all of the departments have been properly listed for the general fund, general fund totals shall be shown in the next set of lines for personal services, supplies, other services and charges, capital outlay, with a fund total. In those towns without departmentalized budgets, only one set or group will be necessary for the general fund. All other funds will only require one set or group of budget appropriation categories and total.

The total indicated for each fund will be amounts used in preparation of Budget Form No. 3 columns headed "Fund" and "Budget Estimate."

The amount approved by the two columns titled "Amount Approved By" shall list action taken by the boards indicated. The column headed "Final Budget After Reduction by State Board of Tax Commissioners" will be completed by the city controller or City and Town Clerk-Treasurer after the budget order is received from the State Board of Tax Commissioners.

Please number all pages making up the completed Budget Form 4-A in the lower right corner of the page as page 1 of 10, etc. If you still have a supply of old forms, ignore the first column "Prior Year Actual Disbursements" and the line at the bottom of each page titled "Totals This Page."

BUDGET ESTIMATE OF FUNDS TO BE RAISED AND PROPOSED TAX RATE (Budget Form No. 4-B)

This form is to be prepared in triplicate. A separate form must be prepared for each fund that requires a tax rate and, in addition, a separate form should also be prepared for each fund with a budget even if no rate will be required. In other words, all municipal funds (other than utility funds) should have a Budget Form No. 1 and Budget Form No. 4-B prepared for each annual budget. The Form 4-B heading should be completed as indicated and appears to be self-explanatory.

Column 1, "Amounts Used to Compute Published Budget" - Line 1 - Enter total budget estimate amount from Budget Form No. 1 for each fund. This should agree with the amounts shown for each fund in column headed "Budget Estimate," Budget Form No. 3, and fund total shown on Budget Form No. 4-A, column headed "Original Published Budget Appropriation."

Line 2 - The information for this line should be obtained from the Ledger of Appropriations, Encumbrances, Disbursements and Balances, City and Town Form No. 209. The amount under each fund should not exceed the appropriation balances on June 30 in such fund and also should not exceed the estimated necessary expenditures for the balance of the current year.

Line 3 - The total amount of additional appropriations needed before the end of the current year should be shown on this line. Such additional appropriations require a separate notice published once in the same newspaper(s) as the ten day notice used for the Budget Estimate, action by the city council or town council, and approval by the State Board of Tax Commissioners.

Line 4 - Outstanding temporary loans.

Line 4a - To be paid, not included in lines 2 or 3.

Line 4b - Not repaid by December 31 of present year.

Line 5 - Add lines 1, 2, 3, and 4 to secure this amount.

Line 6 - Record the actual fund cash balance on June 30 of the current year as shown on the Ledger of Receipts, Disbursements and Balances, City and Town Form No. 208, plus any investments on hand which have been purchased from the fund.

Line 7 - The estimated amount of property taxes to be received in the December settlement can be secured from the county auditor.

Line 8a - Enter the total from Column A on City and Town Budget Form No. 2, Estimate of Miscellaneous Revenue.

Line 8b - Enter the total from Column B on City and Town Budget Form No. 2, Estimate of Miscellaneous Revenue.

Line 9 - Add lines 6, 7, 8a and 8b to secure this amount.

Line 10 - Deduct line 9 from line 5.

Line 11 - The maximum operating balance is calculated by subtracting the estimated miscellaneous revenue from the estimated expense for the first six months of the year following the year for which the budget is being prepared. If the June settlement of taxes is normally received before June 30, the period to be used for such calculation would be from January 1 to the date on which the June settlement is usually received.

Line 12 - Add lines 10 and 11 to secure this amount.

Line 13 - Property Tax Replacement Credit for Local Option Tax. These amounts will be furnished by the county auditor.

Line 14 - Net Amount to be Raised by Tax Levy (Deduct line 13 from line 12).

Line 15 - Nothing is to be entered on this line until review of the budget is made by a budget hearing officer of the State Board of Tax Commissioners.

Line 16 - Net Amount to be Raised (Deduct line 15 from line 14).

Line 17 - This rate will be the same as used for this fund in Column 5 headed "Net Tax Rate" on Budget Form No. 3. Net assessed valuation divided by \$100.00 equals to each \$100.00 of taxable property; net amount to be raised divided by each \$100.00 of taxable property equals net tax rate on each \$100.00 of taxable property.

Column 2, "Appropriating Body" - This column will show action taken by the common council or town council on this particular fund's budget after advertising pursuant to IC 6-1.1-17-3 and IC 5-3-1-2.

Column 3, "Tax Adjustment Board" - This column will show action taken by the county tax adjustment board per IC 6-1.1-17-6. See IC 6-1.1-29 for makeup and other information regarding county tax adjustment board. Action taken by the board or county auditor shall be furnished to the municipality by the county auditor. If the county board of tax adjustment has been abolished pursuant to IC 6-1.1-29-9, the county auditor will still furnish information to the municipality.

Column 4, "Control Board and State Tax Board Final Action" - This column will be used to record those amounts certified to the county auditor or to each municipality by the State Board of Tax Commissioners not later than February 15 of each year for taxes to be collected during that year. [IC 6-1.1-17-6]

DETAILED SCHEDULES OF FIREMEN RETIRED; TO BE RETIRED; DEPENDENTS;  
AND CERTIFICATE (City and Town Budget Form No. 8)

This budget form is for use by the Trustees of Firemen's Pension Funds.

Each form is to be prepared in triplicate with all three copies being filed with the Controller or Clerk-Treasurer.

DETAILED SCHEDULES OF POLICEMEN RETIRED; TO BE RETIRED; DEPENDENTS;  
AND CERTIFICATE (City and Town Budget Form No. 10)

This budget form is for use by the Trustees of Police Pension Funds.

Each form is to be prepared in triplicate with all three copies being filed with the Controller or Clerk-Treasurer.

Civil towns with a metropolitan police department should also prepare the budget for the Police Pension Fund with information furnished on City and Town Budget Form 10.

DETAILED SCHEDULES OF SANITARY OFFICERS AND INSPECTORS RETIRED; TO  
BE RETIRED; DEPENDENTS; AND CERTIFICATE (City and Town Budget Form No. 12)

This budget form is for use by the Trustees of the Sanitary Officers' Pension Fund.

Each form is to be prepared in triplicate with all three copies being filed with the Controller.

## SECTION B - DEFINITIONS OF BUDGET CLASSIFICATIONS

### 1 PERSONAL SERVICES

This classification includes expenditures for salaries, wages and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included. Employer contributions include employer contributions to retirement systems, unemployment compensation, group health and life insurance, clothing allowance, and other similar benefits. Those units with "self-funded insurance" plans shall use this classification.

### 2 SUPPLIES

This classification includes articles and commodities which are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time.

21 Office Supplies - All articles necessary to the proper operation of an office, other than equipment. Examples of office supplies are: Prescribed and approved forms and records, letterheads, envelopes, typewriter ribbons, paper clips, pencils, scotch tape, stencils, adding machine tapes and carbon paper.

22 Operating Supplies - Examples of operating supplies are fuel and ice (all fuel used for heating, cooking and generation of power and all ice purchased); garage and motor (gasoline, motor oil, tires, tubes, antifreeze, batteries, fan belts, lubricants, and other similar automotive articles); institutional and medical supplies (beddings, linens, soaps, chemicals, disinfectants, cleaning powders, floor wax, drugs, bandages, and other institutional and medical supplies).

23 Repair and Maintenance Supplies - This classification includes commodities having a more permanent nature than supplies and which are used in the construction or repair of properties, such as buildings, streets, sewers, machinery and equipment. Materials purchased directly by the city or town should be included in this classification. If the materials are furnished by an outside contractor and included in the contract price, the entire amount of the contract should be included under Number 36, Repairs and Maintenance, or some account within the capital outlay classification. Examples of materials are: building materials (nails, bolts, paint, putty, lumber, glass, steel and other articles entering into building construction or repair); street and alley materials (gravel, sand, cement and other entering into the construction or repair of streets and alleys); sewer materials (gravel, sand, cement and other materials entering into the construction or repair of sewers); repair parts (materials used to repair worn or broken parts of equipment); and small tools and minor equipment.

29 Other Supplies - This includes expenditures for supplies not otherwise classified.

### 3 OTHER SERVICES AND CHARGES

This classification includes expenditures for all purposes that do not fall within the other three categories - Personal Services, Supplies or Capital Outlay. The following are classifications and definitions, where needed, for items to be included in this classification:

31 Professional Services - This classification includes all professional services performed for the city or town under express or implied contract by other than employees of the city or town. Examples would be legal, engineering and architectural.

32 Communication and Transportation - This includes all costs of freight, express and drayage (when such expenses cannot be charged as part of the original cost of the commodities), postage, traveling expenses, telephone and telegraph.

- 33 Printing and Advertising - This includes charges for advertising and publication of notices in newspapers, expenditures for photographing and blue printing and expenditures for printing other than office supplies. Printing and stationery, forms and other office supplies are chargeable to Account Number 21.
- 34 Insurance - This includes premiums on policies of all types of insurances purchased by the city or town other than those types of group insurance properly included in Account Number 13, Employee Benefits. Account Number 14 shall be used to account for employer's costs of "self-insurance" plans.
- 35 Utility Services - This includes charges for light, power, heat, water and sewage charges furnished by public utilities. Expenditures for supplies and materials used by the city or town in furnishing these services should not be charged to this account.
- 36 Repairs and Maintenance - This includes all expenditures of a contractual nature for labor and parts for repair and maintenance of equipment, buildings, and other structures. If the repair and maintenance project is performed by employees of the city or town, labor should be included under personal services and repair parts should be charged under Account Number 23, Repair and Maintenance Supplies.
- 37 Rentals - This includes all expenditures for the use of land, buildings and equipment not owned by the city or town. Hydrant rental should be included.
- 38 Debt Services - This includes fixed obligations resulting from financial transactions previously entered into by the city or town. It includes all expenditures for the reduction of the principal and interest of the city's or town's general obligation indebtedness.
- 39 Other Services and Charges - This classification includes all other services and charges not previously classified. Examples are refunds, awards, indemnities (all payments by the city or town to cover refunds to persons who have made overpayment or erroneous payment to the city or town, and awards and indemnities to persons who have suffered injury to person or property for which the city or town is liable); pension benefits (pension costs for police and firemen in the old pension plans - prior to the 1977 pension funds - are included in this classification); subscriptions (this includes all expenditures for subscriptions to papers, magazines, and journals having articles dealing with municipal activities); premiums on official bonds; grants and subsidies (this includes payments of specific amounts previously agreed upon and for a definite period of time, which payments are authorized by statute); garbage and trash collection contracts; organization memberships and dues (this includes all expenditures for memberships and dues authorized by the legislative body of the city or town); other expenditures not otherwise classified, such as training expenses and construction or improvement of streets and alleys by contract.

#### 4 CAPITAL OUTLAY

This classification includes all lands, buildings, improvements, machinery and equipment having an appreciable and calculable period of usefulness.

- 41 Land - This classification reflects the cost of land and right-of-way owned by the city or town.
- 42 Buildings - This classification reflects the acquisition cost of permanent structures owned or held by the city or town and improvements thereon. Examples would be city or town hall, garage building, buildings used to store street equipment and/or materials.

- 43 Improvements Other Than Buildings - This classification reflects acquisition value of permanent improvements other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels and bridges.
- 44 Machinery and Equipment - This classification includes costs of tangible property of a more or less permanent nature, other than land or buildings and improvements thereon. Examples are machinery, tools, trucks, cars, furniture, typewriters, accounting machines and other movable equipment that may be used repeatedly without material impairment of their physical condition and which have a calculable period of service.
- 49 Other Capital Outlays - This includes other expenditures for capital outlays not otherwise classified.



## SECTION C - BUDGET CALENDAR

August 1 - Last date on which ten or more taxpayers may file with the county auditor to petition for reduction or revision of a Cumulative Fund levy. [See IC 8-16-3; IC 36-9-26; IC 36-8-14; IC 36-9-15.5]

August 31 - Last date for first publication of budget. Must be at least 10 days before public hearing.  
[IC 6-1.1-17-3 (a)]

7 Days after First Publication - Last date for second publication. Must be at least 3 days prior to event  
[IC 5-3-1-2 (g)]

Last date for completing public hearing on budget - shall be at least ten days prior to meeting for adoption of budget. [IC 6-1.1-17-5 (a)]

September 20 - Meeting of city council or town council for adoption of budget and tax rates.  
[IC 6-1.1-17-5 (a)(3) and (4)]

2 Days Prior to September 18 - Last date to file budget documents with county auditor. [IC 6-1.1-17-5 (b)]

September 18 - Meeting of county board of tax adjustment. [IC 6-1.1-29-4] (If September 18 is not a business day, then the board shall meet on the first business day after September 18.)

October 1 - Last date for county board of tax adjustment to complete its duties. [IC 6-1.1-17-9 (a)]

Last date on which the city or town can file an appeal with the State Board of Tax Commissioners for permission to levy taxes in excess of the amount permitted by the 1973 tax control law, IC 6-1.1-18.5. Please contact the State Board of Tax Commissioners prior to this date if you contemplate an appeal for an excessive levy.

10 Days after Publication of Notice of Tax Rates after Adjournment of County Board of Tax Adjustment - Last date on which ten or more taxpayers may file with the county auditor an appeal to the State Board of Tax Commissioners from action of the county board of tax adjustment.

Also, last date on which any municipal corporation may file with the State Board of Tax Commissioners an appeal for an increase in the tax rates fixed by the county board of tax adjustment; such increase shall be within the limits of the tax rates originally fixed by the city council or town council.

Note: The above calendar does not cover appeals for relief from the property tax limitations imposed under IC 6-3.5-1-12. Contact the State Board of Tax Commissioners if you contemplate an appeal under this section of the law.

[GO TO TABLE OF CONTENTS](#)

[GO TO INDEX](#)